



Interim Report

January – March 2009

Press release, May 6, 2009

Continued steady growth of order intake and sales in Care Electronics

Highlights during the first quarter 2009:

- Net sales in Q1 increased to SEK 94.7 m (71.4), an increase of 32.6 percent.
- Operating profit (EBIT) amounted to SEK 4.0 m (1.1), while the pre-tax profit amounted to SEK 0.1 m (0.6).
- Earnings per share after tax: SEK 0.01 (0.03).
- Cash flow for the first quarter was positive at SEK 8.0 m (negative: 17.4), mainly due to decrease in working capital and the positive operating result.
- Order intake was SEK 99.4 m (58.1), an increase of 71.1 percent.
- After the end of the period: Settlement reached in Japanese dispute, emanating from 1999.
- Revenues are expected to show a continued favorable trend in second quarter compared to previous year.

DORO GROUP (SEK m)	2009	2008	Rolling	2008
	Jan-Mar	Jan-Mar	12 month	Full-year
Income/Net sales	94.7	71.4	385.8	362.5
Operating profit/loss after depreciation and write-downs, EBIT	4.0	1.1	-5.3	-8.2
Operating margin, EBIT, %	4.2	1.5	-1.4	-2.3
Profit/loss after financial items	0.1	0.6	-10.6	-10.1
Profit/loss for the period	0.1	0.6	-12.0	-11.5
Average number of shares, thousands	17,408	17,408	17,408	17,408
Earnings per share before tax, SEK	0.01	0.03	-0.61	-0.58
Earnings per share after tax, SEK	0.01	0.03	-0.69	-0.66



Comments by the CEO, Jérôme Arnaud:

“Despite a clear weakening of the market for consumer electronics in late 2008 and beginning of 2009, Doro has demonstrated good resilience and continued to grow. In the first quarter of 2009, Group sales rose by more than 30 percent and the market appreciated our focus on Care Electronics products. The favorable order bookings we witnessed in the fourth quarter of 2008 has continued into the first quarter 2009, where the order intake was SEK 99.4 m, an increase of 71.1 percent compared to the same quarter in 2008.

This is mainly explained by the continued increase in market share and the penetration of new markets by Care Electronics and the GSM phones launched in 2008. This was combined with resilient sales in Home Electronics. Doro’s sales of GSM phones rose threefold in the first quarter of 2009, a sign of strength, particularly considering a recent study from Swedbank estimating an 18-percent sales decline in the overall market for GSM phones in that period. We are now continuing our efforts to reinforce our leading position in the market for simple mobile phones by introducing five new models to the market between mid-April and mid-June. These additions mean we now have the broadest, most modern and well-adapted range for seniors seeking a mobile phone that is attractive and easy to use.

Regarding international expansion, product certifications for the US market are well in progress as well as negotiations with operators.

In Home Electronics, which combines the former Home Electronics and Business Electronics operations, we are managing to resist to the market decline. We are growing more relevant to retail customers by offering the both residential phones and easy-to-use GSM devices.

As a result, our operational result (EBITDA) has increased significantly up to SEK 5.4 m (5.7 percent of sales). This result allows us to invest more in brand building and sales in next quarters.

Cash flow has clearly improved as a result of focused efforts to reduce working capital despite our growth.

We have also reduced our net indebtedness since the close of 2008, from SEK 30.7 m to SEK 23.5 m.

Doro’s user-friendly products, developed specially for the senior target group, continue to win international awards. In the first quarter, five products within the Care Electronics product segment, including the HandleEasy 326gsm mobile phone, received the iF Gold Award, one of the world’s foremost design prizes.

We are convinced that our strategy of growth within Care Electronics will contribute to our ability to improve earnings. Our core markets – the Nordic region and continental Europe – show increasing demand, while the US market remains at an early phase.

Finally, I am also pleased with the amicable settlement we reached in a Japanese dispute dating from 1999, which will have a positive cash impact of approximately SEK 4 m in the second quarter of 2009.”

Net sales

Doro’s sales amounted to SEK 94.7 m (71.4) for the first quarter, an increase of 32.6 percent. Using the same exchange rate as previous year, the growth would amount to 22.1 percent

Operating profit (EBIT)

The profit before tax and financial items for the first quarter amounted to SEK 4.0 m (1.1), an increase of 264 percent.

Cash flow, investments and financial position

The cash flow from operations in the first quarter was positive in an amount of SEK 8.0 m (negative: 17.4). This major improvement is mainly due to reduction of working capital combined with a positive operating result. In order to comply with IFRS the current hedge contracts have been valued in the net financial items affecting the result negatively with SEK 2.8 m.

On March 31, 2009, Doro had a net debt of SEK 23.5 m (18.5). The company had pre-agreed credit facilities of SEK 59.0 m. The equity/asset ratio was 20.4 percent (27.4) at the end of the period.

Business units

As of January 1, 2009, Home Electronics and Business Electronics were merged to form business unit Home Electronics.

Care Electronics

Care Electronics supplies telecom and electronic products adapted to the needs of senior citizens. The business unit more than doubled its sales in Q1 to SEK 43.4 m (19.3) a growth of 125 percent. The business unit now represents 45.8 percent of Doro's total sales for the quarter.

Home Electronics

Home Electronics offers domestic phones and other products for the modern family and also provides simple telecom solutions for enterprises by means of analog and VoIP technologies. Sales during the quarter amounted to SEK 51.3 m (52.1), a decrease of 1.5 percent.

Regions

Doro's largest markets are Continental Europe, with 51.5 percent of Group sales, the Nordic region (32.3 percent) and the United Kingdom (13.8 percent). Doro also operates through distributors in other selected markets (2.4 percent).

Personnel

At the end of the period, the headcount was 59 (57). 28 are based in Sweden, 17 in France, 6 in the United Kingdom, 4 in Norway and 4 in Hong Kong.

It has been resolved that the salaries for Doro's employees will remain at the 2008 level (salary freeze). At the same time a profit sharing program for all employees has been launched, which gives the employees the possibility of 20 percent of Doro's reported pretax profit for 2009 in the form of a bonus. The distribution of the employee bonus as well as the maximum bonus payment for each employee are based on the individual's base salary. The agreed program relates only to year 2009.

Parent company

The Parent company's net sales for the first quarter amounted to SEK 45.2 m (30.5). The loss/profit before tax for the first quarter was SEK 1.9 m (negative: 7.8).

Events after the close of the period

In early April 2009, Doro reached an amicable settlement in the dispute regarding a cooperation with a Japanese supplier. The settlement will have a one-time positive cash effect of approximately SEK 4 m in the second quarter 2009.

Doro share

Doro is listed on the Nasdaq OMX Nordic Exchange Stockholm, Small Cap – Telecom/IT.

Outlook

Doro currently has good order intake and has managed to raise its prices to offset currency fluctuations. Revenues are expected to show a continued favorable trend in second quarter compared to previous year, however, an earnings forecast for the remainder of 2009 is challenging to deliver at this point in time, due to the uncertainty of the electronics consumer market and the general business climate.

Risks

Risks and instability factors are mainly related to supplier disruption, customer relations, exchange rate fluctuations and loan financing, which is more difficult following the general bank crisis. Apart from these risks and the instability factors, described on pages 22–23 and 40–42 of the 2008 Annual Report, no other risks of any significance have been identified during the last period.

Accounting principles

This interim report has been prepared on behalf of the group according to IAS 34, Interim Financial Reporting, and for the parent company in accordance with the Annual Accounts Act and Swedish Financial Reporting Board RFR 2.2 Accounting of legal entities.

The accounting principles and calculation methods applied are consistent with those that were applied when drawing up the previous year's accounts, with the following exceptions due to new or revised standards and interpretations adopted by the EU and which will be applied from January 2009. The change affecting the Group is the revised IAS 1 Presentation of Financial Statements. In addition, Doro's external reports on operating segments are, since last year, presented in the same way as its internal reports, thus Doro is in compliance with the new standard IFRS 8.

IAS 1 Presentation of Financial Statements

The effect of IAS 1 Presentation of Financial Statements is that IAS 1 divides the changes in equity as a result of transactions with owners and other changes. As a consequence a "Statement of comprehensive income" has been added.

Financial calendar

The Board has set the following dates for the publication of Doro's interim reports:

January – June 2009: August 19, 2009

January – September 2009: November 11, 2009

Dividend

The Annual General Meeting on March 26, 2009, approved the Board's proposal to not distribute any dividend to the shareholders for the 2008 fiscal year.

Interim Reports

The interim reports are available at www.doro.com > Investors room

For further information, please contact:

President & CEO Jérôme Arnaud, +46 46 280 50 05

CFO, Annette Borén, +46 46 280 50 62

This interim report has been drawn up in accordance with the same accounting principles as the last annual report, and has not been subjected to a review by the company's auditors.

Lund, May 6, 2009

The Board

Doro AB (publ) | Company registration number 556161-9429

Doro AB (publ)
Magistratsvägen 10
SE-226 43 Lund, Sweden
Tel: +46 46 280 50 00 | www.doro.com

The Board and CEO confirm that this interim report provides a fair overview of the company's and Group's business, position and results and describes the significant risks and uncertainties faced by the company and the Group companies.

About Doro

With over 30 years' experience in telephony Doro is today characterized by innovative and user-friendly consumer electronics products. The company develops markets and sells a wide range of products in two business units: Care Electronics and Home Electronics. The company's products are sold in more than 30 countries worldwide through a variety of retail outlets, including electronics stores, online stores and specialized channels. The company had sales of SEK 363 million in 2008. Doro's shares are quoted on the Nasdaq OMX Nordic Exchange Stockholm, Small Cap. Read more about Doro at www.doro.com

Financial reports

INCOME STATEMENT (SEK m) Doro Group	2009	2008	2008
	Jan-Mar	Jan-Mar	Full-year
Income/Net sales	94.7	71.4	362.5
Operating cost	-89.3	-69.5	-366.1
Operating profit/loss before depreciation and write-downs, EBITDA	5.4	1.9	-3.6
Depreciation according to plan	-1.4	-0.8	-4.6
Operating profit/loss after depreciation and write-downs, EBIT	4.0	1.1	-8.2
Net financial items	-3.9	-0.5	-1.9
Profit/loss after financial items	0.1	0.6	-10.1
Taxes	0.0	0.0	-1.4
Profit/loss for the period	0.1	0.6	-11.5
Average number of shares, thousands	17,408	17,408	17,408
Earnings per share before tax, SEK	0.01	0.03	-0.58
Earnings per share after tax, SEK	0.01	0.03	-0.66

STATEMENT OF COMPREHENSIVE INCOME (SEK m) Doro Group	2009	2008	2008
	Jan-Mar	Jan-Mar	Full-year
Profit/loss for the period	0.1	0.6	-11.5
Translations difference and other	0.7	0.0	2.0
Total result	0.8	0.6	-9.5

(Related to Parent Company's shareholders)

STATEMENT OF FINANCIAL POSITION (SEK m) Doro Group	2009	2008	2008
	31 mar	31 mar	31 Dec
Intangible assets	15.6	10.4	14.2
Tangible assets	6.8	4.4	5.7
Financial assets	14.2	14.2	14.2
Inventories	60.7	55.9	58.8
Current receivables	44.2	52.8	64.6
Cash and Bank balances	9.8	8.5	12.6
Total assets	151.3	146.3	170.1
Shareholders' equity	30.8	40.1	30.0
Interest-bearing liabilities	33.3	27.0	43.4
Non interest-bearing liabilities	87.2	79.3	96.7
Total shareholders' equity and liabilities	151.3	146.3	170.1

STATEMENTS OF CASH FLOWS (SEK m) Doro Group	2009	2008	2008
	Jan-Mar	Jan-Mar	Full-year
Operating profit/loss after depreciation and write-downs, EBIT	4.0	1.1	-8.2
Depreciation according to plan	1.4	0.8	4.6
Net financial items	-3.9	-0.5	-1.9
Taxes	0.0	0.0	-1.4
Changes in working capital	6.5	-18.7	-14.5
Cash flow from current activities	8.0	-17.4	-21.4
Disposal of Group companies	0.0	0.0	0.0
Investments	-1.4	-1.5	-10.2
Cash flow from investment activities	-1.4	-1.5	-10.2
Loans raised	-10.1	19.0	35.3
Dividend paid out	0.0	0.0	0.0
Cash flow from financial activities	-10.1	19.1	35.3
Translations difference and other	0.7	0.0	0.6
Change in liquid funds	-2.8	0.2	4.3
Net debt	23.5	18.5	30.7

STATEMENT OF CHANGES IN EQUITY (SEK m) Doro Group	2009	2008	2008
	Jan-Mar	Jan-Mar	Full-year
Opening balance	30.0	39.5	39.5
Total result	0.8	0.6	-9.5
Dividend	0.0	0.0	0.0
Closing balance	30.8	40.1	30.0

OTHER KEY FIGURES Doro Group	2009	2008	2008
	31 Mar	31 Mar	31 Dec
Equity/assets ratio, %	20,4	27.4	17.6
Average number of shares, thousands	17,408	17,408	17,408
Reported equity per share, SEK	1.8	2.3	1.7
Return on average share holders' equity, %	0.3	6.0	neg
Return on average capital employed, %	12.6	10.0	neg
Share price at period's end, SEK	4.40	5.80	5.00
Market value, SEK m	76.6	101.0	87.0

SALES PER SEGMENT (SEK m) Doro Group	2009	2008	2008
	Jan-Mar	Jan-Mar	Full-year
Care Electronics	43.4	19.3	142.7
Home Electronics	51.3	52.1	219.8
Total	94.7	71.4	362.5

OPERATING PROFIT/LOSS AFTER DEPRECIATION, EBIT, PER SEGMENT (SEK m) Doro Group	2009	2008	2008
	Jan-Mar	Jan-Mar	Full-year
Care Electronics	2.7	1.3	17.9
Home Electronics	1.3	-0.2	-26.1
Operating profit/loss after depreciation	4.0	1.1	-8.2

INCOME STATEMENT (SEK m) Parent company	2009	2008	2008
	Jan-Mar	Jan-Mar	Full-year
Income/Net sales	45.2	30.5	176.2
Operating cost	-40.9	-35.9	-185.6
Operating profit/loss before depreciation and write-downs, EBITDA	4.3	-5.4	-9.4
Depreciation according to plan	-1.7	-1.4	-7.0
Operating profit/loss after depreciation and write-downs, EBIT	2.6	-6.8	-16.4
Net financial items	-0.7	-1.0	2.0
Profit/loss after financial items	1.9	-7.8	-14.4
Taxes	0.0	0.0	-1.4
Profit/loss for the period	1.9	-7.8	-15.8

SUMMARY OF BALANCE SHEET (SEK m) Parent company	2009	2008	2008
	31 Mar	31 Mar	31 Dec
Intangible assets	25.6	17.9	24.8
Tangible assets	5.3	1.5	3.9
Financial assets	71.5	77.1	71.4
Inventories	19.7	19.9	16.1
Current receivables	28.4	30.3	40.3
Cash and Bank balances	2.1	9.6	2.7
Total assets	152.7	156.3	159.2
Shareholders' equity	31.3	37.5	29.5
Interest-bearing liabilities	33.2	35.8	88.4
Non interest-bearing liabilities	88.1	83.0	41.3
Total shareholders' equity and liabilities	152.7	156.3	159.2